

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, : 22-CR-00075(ENV)
:
:
-against- : United States Courthouse
:
:
March 16, 2022
:
4:00 p.m.
:
LIONEL HANST, :
:
Defendant. :
- - - - - X

TRANSCRIPT OF CRIMINAL CAUSE FOR PLEADING
BEFORE THE HONORABLE ERIC N. VITALIANO
UNITED STATES SENIOR DISTRICT JUDGE

A P P E A R A N C E S:

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1 (In open court.)

2 THE COURTROOM DEPUTY: All rise.

3 Court is now open. The Honorable Eric N. Vitaliano
4 is now presiding. Case on the calendar is USA versus Lionel
5 Hanst, Case Number 22-CR-75 on for a status conference.

6 Will the attorneys please note their appearance
7 beginning with Government counsel.

8 MR. LAX: Good afternoon, Your Honor.

9 Jonathan Lax, Derek Ettinger, and Adam Schwartz on
10 behalf of the Government.

11 THE COURT: Good afternoon to all.

12 MR. BLAIS: Good afternoon, Your Honor.

13 Brian Blais for Mr. Hanst who is to my immediate
14 right, and I'm joined by my colleagues Ryan Rohlfen and Sean
15 Seelinger.

16 THE COURT: And good afternoon, and welcome to all
17 of you as well.

18 MR. ROHLFSEN: Thank you, Your Honor.

19 MR. SEELINGER: Thank you.

20 THE COURT: We also have a CJA attorney who needs to
21 note his appearance for the record.

22 MR. RICO: Yes, Your Honor. Good afternoon.

23 Anthony Rico. Today is my duty day, and I'm here at
24 the your direction.

25 THE COURT: Thank you, Mr. Rico. We appreciate your

1 service today and all the service that our CJA panel provides
2 our court throughout the year.

3 THE COURTROOM DEPUTY: All parties are present,
4 including defendant.

5 THE COURT: All right.

6 So there are a number of housekeeping items that I
7 guess we have to get through, and I chuckle at the thought if
8 we had to do all of this by way of Zoom, I think we probably
9 would be here until tomorrow; but, fortunately, we are in
10 person -- and hopefully that trend will continue -- and I will
11 take Mr. Lax's advice as we go along -- it seems to me, in the
12 order of things, that the extradition waiver should come
13 first.

14 Does that make sense?

15 MR. LAX: I think, Your Honor -- I don't know that
16 it matters in terms of timing, I'm certainly happy to do that
17 now, I think it's linked with bail, so I think it could maybe
18 wait until bail, and we can proceed with the Curcio, but if
19 the Court wants to proceed with the extradition waiver now, I
20 see no reason not to do it. It's a long way of saying I
21 agree.

22 THE COURT: Okay. I guess it explains how he's
23 here.

24 MR. LAX: So the extradition waiver is, sort of,
25 more of a forward-looking document, Your Honor.

1 THE COURT: Is it forward-looking?

2 MR. LAX: Yes.

3 THE COURT: If it's forward looking, then it's okay
4 to wait.

5 MR. LAX: Okay.

6 THE COURT: I wasn't sure who was waiting on this
7 thing and what order we should proceed.

8 So that being the case, we will then proceed to
9 another housekeeping matter, and that is the -- this is the
10 first time that this matter is on before me, and so we will
11 take another housekeeping matter, and I always refrain from
12 making any editorial comments about this housekeeping matter
13 other than to say we religiously follow the protocol remarks
14 that seem to be approved in the Second Circuit, which means
15 they have to be -- we read them cautiously, and since my
16 vision does not permit that, I will ask my law clerk and
17 deputy clerk of the court to read Criminal Rule 5(f) advisory
18 to Government counsel.

19 THE CLERK: I direct the prosecution to comply with
20 this obligation under *Brady v. Maryland* and its progeny to
21 disclose to the defense all information, whether admissible or
22 not, that is favorable to the defendant material either to
23 guilt or punishment and known to the prosecution. Possible
24 consequences for non-compliance include dismissal of
25 individual charges or the entire case, exclusion of evidence,

1 and potential discipline or court sanctions on the attorneys
2 responsible. I will be entering a written order more fully
3 describing this obligation and the possible consequences of
4 failing to meet it, and I direct the prosecution to review and
5 comply with that order.

6 Does the prosecution confirm that it understands its
7 obligations, and will you fulfill them?

8 MR. LAX: Yes, Your Honor.

9 THE COURT: Thank you very much, Mr. Lax, and indeed
10 we will enter that order at some point later today.

11 That, I think, takes care of the formal -- without
12 relationship to the merits of any particular case --
13 housekeeping; and now I understand from the letter submitted
14 by the Government, the Government believes that Curcio hearing
15 is appropriate in this matter, and therefore I will hear from
16 Mr. Lax on that.

17 MR. LAX: Yes, Your Honor. So we submitted our
18 letter on February 24th in which we outlined a third-party fee
19 arrangement for the Court, and, of course, the Court has that
20 filing, but we think, sort of, given that arrangement,
21 including the individual in connection with that arrangement,
22 that Curcio hearing would be appropriate as set forth in our
23 letter.

24 THE COURT: All right. I will say it's rather
25 tenuous, based on my listening to the letter, but we do have

1 Mr. Rico present.

2 Let me inquire of you, Mr. Rico.

3 Have you had an opportunity to meet with Mr. Hanst
4 privately?

5 MR. RICO: Yes. Good afternoon, Your Honor. I did
6 have an opportunity to meet with Mr. Hanst prior to the
7 proceedings today. I had an opportunity to discuss with him
8 his right to have conflict-free counsel. I discussed with him
9 overall what that concept meant in law, but what it came down
10 to is he's entitled to have a lawyer who has his undivided
11 interest at stake in the proceeding and none other, we talked
12 about various examples of how that can come about, and then we
13 discussed the specifics of this case, and, Your Honor, I'm
14 fully satisfied that Mr. Hanst understands his right to have
15 conflict-free counsel. He understands what an actual conflict
16 is, a potential conflict is. I don't see an actual conflict
17 in this case, but to the extent that there's a potential
18 conflict in this case, he understands that and he is prepared
19 to waive any potential conflicts, and he's prepared to answer
20 questions directly from the Court on this subject.

21 THE COURT: I thank you, Mr. Rico.

22 Mr. Rico, Mr. Hanst is here from a foreign
23 jurisdiction. Did you have any difficulty in understanding
24 him or him appearing to understand you?

25 MR. RICO: No, Your Honor. Even through the mask,

1 we did very well together.

2 THE COURT: Yes, that certainly is a challenge.

3 MR. RICO: And, Judge, he did strike me as a man of
4 intelligence and understanding of his principles. Even though
5 he's from a foreign jurisdiction, he was able to grasp these
6 concepts, Your Honor.

7 THE COURT: I thank you very much.

8 MR. RICO: Yes, sir.

9 THE COURT: So I am going to make inquiry of you,
10 Mr. Hanst.

11 You do recall having that conversation with Mr. Rico
12 privately?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: And did you also discuss these issues
15 with your own counsel privately?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: Now, Mr. Rico has certainly provided a
18 rather detailed recitation of why he believes you understand
19 your rights and what he believes your decision to be, and it
20 is obvious from all of the television shows in America, the
21 person appearing in a criminal proceeding -- defendant in a
22 criminal proceeding -- has a right to counsel. And what's a
23 concern here is not the mere fact that you have lawyers
24 sitting next to you, but the right to counsel actually goes
25 beyond just having a lawyer sitting with you and speaking up

1 for you, but it's to have a lawyer who doesn't have any
2 divided interest.

3 Do you understand what the divided interest or what
4 the Court's concern would be about your lawyer owing a
5 confidence to somebody other than you that might conflict with
6 the confidence that he owes to you; do you understand that
7 concept?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: Could you tell me in your own words what
10 you think that means?

11 THE DEFENDANT: I think that means that my -- that
12 this could -- could -- how do you say -- bring -- my lawyers
13 will not be a hundred percent for me, but they will also look
14 on the other side from where the payment is coming from, and
15 that may be the conflict, but I trust that this is not the
16 case in this case.

17 THE COURT: You put your finger on it. The
18 potential is that either knowingly, or unknowingly, either
19 wittingly or unwittingly, because someone else is paying the
20 bill, so to speak, and that person paying the bill, while not
21 named a defendant in this case, may have some issues or some
22 connections to a prosecution -- your prosecution or other
23 similar prosecution -- that could create an obligation on the
24 part of counsel to look out for the interest of the person
25 paying the bill even if those interests are not in harmony

1 with yours.

2 Do you understand that?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: And you have a constitutional right to
5 have a lawyer that doesn't have that problem -- that was the
6 point that Mr. Rico was making with you -- that you have a
7 right to have a lawyer that has no potential for divided
8 interest.

9 Do you understand that?

10 THE DEFENDANT: Yes, Your Honor.

11 THE COURT: And having considered the potential for
12 that conflict, and knowing that you have the right to have a
13 lawyer that doesn't even have a smidge of potential conflict
14 represent you, have you reached a determination in your own
15 mind as to whether or not you wish to go forward with counsel
16 that might have a potential conflict as opposed to having new
17 counsel where no conflict is presented? Have you reached a
18 determination in your own mind?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: What is that determination?

21 THE DEFENDANT: That I will continue with my lawyers
22 and waive my right of -- of -- look for another lawyer.

23 THE COURT: Mr. Lax, is there any other inquiry that
24 the Government desires?

25 MR. LAX: Your Honor, I know that the Court will

1 address this later, but I think sort of in context perhaps a
2 reminder that Mr. Hanst, you know, in a criminal case, of
3 course, here would be provided counsel at no cost whatsoever,
4 if necessary.

5 THE COURT: Right.

6 To underscore that point, yes, and to the extent
7 that the -- to come complete the thought that to the extent
8 that you could not afford counsel, competent counsel would
9 indeed be provided to you without cost.

10 Do you understand that?

11 THE DEFENDANT: Yes, Your Honor.

12 THE COURT: Does that affect your decision one way
13 or the other?

14 THE DEFENDANT: No, Your Honor.

15 THE COURT: Anything else, Mr. Lax?

16 MR. LAX: No, Your Honor. Thank you.

17 THE COURT: The Court is confident that based on
18 what I've heard directly, and most importantly, from
19 Mr. Hanst, and what I've heard from Mr. Rico and the depth of
20 his ability to reach in his -- the probing nature of his
21 inquiry, I just want to ask -- one footnote before I say
22 this -- I would give you additional time, Mr. Hanst, if you
23 needed to discuss this matter further either with Mr. Rico or
24 with Mr. Blais.

25 Do you need additional time to discuss this matter

1 with them, or are you satisfied that you've reached the
2 conclusion that you want to reach?

3 THE DEFENDANT: I'm satisfied, Your Honor, because I
4 discussed the matter rather extensively with my lawyers here
5 and they explained me very, very clear that if at the end the
6 result is not what I like, that I cannot say that because they
7 did not do their work good, so I'm waiving that right, so I
8 know the risk.

9 THE COURT: So you are content that you can get
10 counsel that is competent and will represent you vigorously,
11 and to the extent that there is a potential for a conflict or
12 divided interest, you are waiving that conflict or divided
13 interest?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: And the Court, obviously implicit in
16 what the Court had been indicating, that the Court is in
17 agreement with Mr. Rico that there is no actual unwaivable
18 conflict presented; that to the extent there is anything
19 presented at all, it is a remote potential conflict, and I am
20 satisfied with the responses that I've received from Mr. Hanst
21 that he understands the potential conflict; he understands the
22 concerns about that conflict, what it could mean for the
23 nature of the representation he receives; he's had the
24 opportunity to review those concerns, not only with his own
25 current attorneys, but also the independent Curcio counsel

1 appointed by the Court. The Court is satisfied that Curcio
2 counsel has performed his function above and beyond the call
3 of duty, and I am satisfied that the waiver is valid and the
4 Court accepts it and will allow Mr. Blais and his colleagues
5 to continue to represent the defendant in this action.

6 We also thank, again, Mr. Rico for his services, and
7 he is free to leave the courtroom, and, again, he goes with
8 appreciation.

9 MR. RICO: Thank you very much, Your Honor.

10 THE COURT: You're welcome.

11 All right. That brings us back to status, and that
12 brings us back to you, Mr. Lax.

13 MR. LAX: Yes, Your Honor.

14 So we have prepared an information. We understand
15 that the defendant is willing to waive indictment and consent
16 to the filing of that information and to enter a plea of
17 guilty.

18 Of course, in connection with that, we would also
19 have the issue of bail. I don't know the order in which those
20 are dealt with.

21 THE COURT: That awaits to the end.

22 MR. LAX: Then I think we are ready to proceed with
23 the waiver of indictment.

24 THE COURT: If we don't end up with a plea, you all
25 will tell me where we're going next.

1 MR. LAX: We'll cross that bridge if we have to, but
2 I doubt we will meet that bridge.

3 THE COURT: We will have to cross that bridge, and
4 Pretrial Officer Long is actually in the arraignment court
5 now, in any event, so we'll have to wait for him as well.

6 All right. So, Mr. Blais, as I understand it from
7 Mr. Lax's report and from what I understood coming in from the
8 deputy clerk, we are anticipating a plea from Mr. Hanst.

9 MR. BLAIS: That's correct, Your Honor. Mr. Lax's
10 recitation of the procedural status is correct.

11 THE COURT: Then let us begin with Mr. Villanueva
12 swearing the defendant.

13 THE COURTROOM DEPUTY: Raise your right hand.

14 (Defendant sworn.)

15 THE DEFENDANT: I -- I swear. Sorry.

16 THE COURTROOM DEPUTY: Thank you very much.

17 THE COURT: All right.

18 Now, Mr. Hanst, as I indicated earlier in the
19 hearing, you are obviously here from a foreign country, and as
20 I understand it -- and correct me if I'm wrong -- that your
21 first language is not English; is that correct?

22 THE DEFENDANT: That's correct.

23 THE COURT: Now, do you feel confident in your
24 English abilities? Are you in need for us to provide an
25 interpreter in any language before we proceed further?

1 THE DEFENDANT: No. I feel confident that I can
2 communicate.

3 THE COURT: All right. That being the case, then,
4 we will proceed without an interpreter, and let me tell you
5 what we're going to do.

6 This is a hearing to allocute a guilty plea, and
7 counsel -- your counsel -- and the Government counsel as well
8 has advised the Court that a guilty plea is anticipated, but
9 there's a number of questions that I must ask you to assure me
10 that the plea would be valid, which is sometimes how a -- the
11 hearing is designed to allocute a guilty plea doesn't end up
12 allocuting a guilty plea because there may be a problem that
13 develops along the process, so it's important for me to hear
14 from you that we get the information that shows me that your
15 decision to plead guilty to the offense is indeed a valid one.

16 So what are these questions? Well, some of them are
17 obvious, too, but the first obvious question is, do you
18 understand the charge or charges against you?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: Well, we're going to find out. I'm
21 going to give you an indication of the kinds of questions that
22 we're going to ask to make sure. I know that your instant
23 answer would be yes to all of these questions, but this is
24 just to let you know the kind of inquiry we're going to get,
25 and it's going to allow me to evaluate your answers based on

1 what you say in response to each of my questions to see if you
2 understand the charge; that you understand the consequences of
3 pleading guilty to the charge or charges; that you understand
4 your rights; that you understand the rights that you waive by
5 pleading guilty; that your decision to plead guilty is not
6 only knowing that you know your rights, but also agreed to
7 waive them voluntarily; and, lastly, you will have to tell me
8 facts under oath that show that you indeed are guilty of the
9 charge or charges to which you plead guilty.

10 So the questions are important, and to the extent
11 that -- particularly wearing masks and all -- to the extent
12 that you don't hear them or don't understand them, please let
13 me know and we will repeat or rephrase them for you.

14 Do you understand that?

15 THE DEFENDANT: Yes, Your Honor.

16 THE COURT: Now, we've already touched upon this in
17 connection with what's called a Curcio hearing that we had
18 about the divided counsel, and one of the things that we
19 discussed in the course of that hearing was the fact that you
20 have a right -- at this stage of the proceeding, or any other
21 stage of a criminal proceeding -- a defendant has the right to
22 be represented by competent counsel. If the defendant could
23 not afford counsel, then competent counsel would be provided.
24 But on the call of the calendar of this matter, Mr. Blais, who
25 is sitting with you, and his colleagues, indicated to me that

1 they are your lawyers for this case.

2 Is Mr. Blais your lawyer for this case?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: That means that if at any point you need
5 to speak privately with your lawyers, you just let me know,
6 and I will permit you to do so without any penalty.

7 Do you understand that?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: Now, we did administer the oath;
10 correct?

11 THE COURTROOM DEPUTY: Yes, we did.

12 THE COURT: And so therefore, having administered
13 the oath, that means if you answer any of the questions put to
14 you at this hearing falsely, Mr. Hanst, regardless of who may
15 have asked the question, then those false answers can be used
16 against you in a separate prosecution for the crimes of
17 perjury or making a false statement.

18 Do you understand that?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: Now, with all those understandings,
21 we're going to back up all the way to the beginning, and I'm
22 going to ask you to place on the record your full name.

23 THE DEFENDANT: Lionel Alajeno Hanst.

24 THE COURT: Mr. Hanst, how old are you?

25 THE DEFENDANT: I'm 60 years old.

1 THE COURT: And what is the highest grade you
2 completed in school?

3 THE DEFENDANT: Our high school in Curaçao, and then
4 accounting specialty through Maylor (ph) -- at that time
5 Maylor College in Holland, but I always live on the island.

6 THE COURT: And is that what you would consider a
7 college degree, or is that just a --

8 THE DEFENDANT: It's somewhat above a college
9 degree.

10 THE COURT: Okay. Now, Mr. Hanst, are you currently
11 or have you recently been treated by a physician?

12 THE DEFENDANT: At the moment, I have a problem with
13 prostate and kidney stones.

14 THE COURT: The last one can be painful, but I hope
15 not too painful.

16 Are you currently or have you recently been treated
17 by a psychiatrist?

18 THE DEFENDANT: No.

19 THE COURT: In the last 24 hours, have you taken any
20 narcotic drugs?

21 THE DEFENDANT: No, Your Honor.

22 THE COURT: In the last 24 hours, have you taken
23 medications of any kind?

24 THE DEFENDANT: No, Your Honor.

25 THE COURT: In the last 24 hours, have you consumed

1 any alcoholic beverages?

2 THE DEFENDANT: No, Your Honor.

3 THE COURT: Have you ever been hospitalized or
4 treated for any mental illness?

5 THE DEFENDANT: No, Your Honor.

6 THE COURT: Have you ever been hospitalized or
7 treated for any addiction to drugs or alcohol?

8 THE DEFENDANT: No, Your Honor.

9 THE COURT: As you appear before me in court this
10 afternoon, is your mind clear?

11 THE DEFENDANT: Yes, Your Honor.

12 THE COURT: And you understand what's going on
13 around you in the court?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Now, Mr. Blais, you had a full and fair
16 opportunity to discuss this case with Mr. Hanst?

17 MR. BLAIS: Yes, I have, Your Honor.

18 THE COURT: And on the basis of your conversations
19 and dealings with him, do you believe that he understands the
20 nature of the proceedings that we are conducting this
21 afternoon?

22 MR. BLAIS: I do, Your Honor.

23 THE COURT: Do you believe he understands the nature
24 of the rights that he would be waiving by pleading guilty?

25 MR. BLAIS: I do, Your Honor.

1 THE COURT: In your opinion, is he competent to
2 enter a plea of any kind at this time?

3 MR. BLAIS: He is, Your Honor.

4 THE COURT: And have you had an opportunity to
5 discuss with him the maximum sentence and fine that can be
6 imposed in this case?

7 MR. BLAIS: We have discussed that, Your Honor.

8 THE COURT: Have you also discussed with him the
9 operation of the sentencing guidelines in the context of
10 recent court decisions?

11 MR. BLAIS: We have.

12 THE COURT: Mr. Hanst, you've heard Mr. Blais tell
13 me that he believes he's had a full and fair opportunity to
14 discuss your case with you.

15 Do you believe you've had a full and fair
16 opportunity to discuss your case with him?

17 THE DEFENDANT: Yes, Your Honor.

18 THE COURT: And are you satisfied with the
19 representation and advice you have received?

20 THE DEFENDANT: Yes, Your Honor.

21 THE COURT: Let me turn to Mr. Lax now.

22 Mr. Lax, would you sketch out for us on the record
23 the nature of the charge or charges to which it is anticipated
24 that Mr. Hanst will offer a plea?

25 MR. LAX: Yes, Your Honor.

1 The Government intends to file an information that
2 charges conspiracy to commit money laundering in violation of
3 Title 18, United States Code, Sections 1956(h) and 3551 et
4 sequentia. I'm happy to read the allegation into the record,
5 if that's what the Court would like.

6 THE COURT: If you sketch out time and place so that
7 it will trigger a signal to Mr. Hanst as to exactly what the
8 charge is for that with all of the --

9 MR. LAX: Yes. Yes, Your Honor.

10 The proposed charge charges that Mr. Hanst, in or
11 about and between November 2014 and September of 2020, within
12 the Eastern District of New York and elsewhere, he, with
13 others, knowingly and intentionally conspired to commit money
14 laundering in violation of Section 1956(h); that is, to
15 transport, transmit, or transfer monetary instruments or funds
16 from places in the United States to places outside, or vice
17 versa, knowing that those instruments and funds involved in
18 those transfers represented the proceeds of some form of
19 unlawful activity; and that those transfers were designed in
20 whole or in part to conceal and disguise the nature of the
21 location and source of specified unlawful activity including,
22 in particular, felony violations of the Foreign Corrupt
23 Practices Act in violation of Title 15 United States Code,
24 Sections 78dd-2 and 78dd-3.

25 THE COURT: All right. And that was in, sum and

1 substance, the information?

2 MR. LAX: Yes, in sum and substance, Your Honor.

3 THE COURT: Now, Mr. Hanst, are those the charges or
4 among the charges you've had an opportunity to consult with
5 Mr. Blais about?

6 THE DEFENDANT: Yes, Your Honor.

7 THE COURT: And do you understand those charges?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: Now, did you see those charges presented
10 to you in a writing?

11 THE DEFENDANT: Yes.

12 THE COURT: And that writing was called an
13 information, was it?

14 THE DEFENDANT: Information letter, yes, Your Honor.

15 THE COURT: Let me tell you why that's an important
16 word. And, again, I'm sure you've done this with Mr. Blais,
17 but it's, again, one of those rights that's important that I
18 know you understand, and, particularly, if you waive it, that
19 you've waived it knowingly and intelligently, and it's simply
20 this: That when a person in the United States is charged with
21 a felony crime, that the normal way to commence that
22 prosecution is by way of a grand jury indictment, and that the
23 grand jury invokes an indictment, and that commences the
24 transaction, and it is a constitutional right to have that
25 process. It is also a right that can be waived.

1 Do you understand that?

2 THE DEFENDANT: I understand.

3 THE COURT: Now, it's my understanding that at the
4 end of my inquiry to you that you are going to waive that
5 right; is that correct?

6 THE DEFENDANT: That's correct, Your Honor.

7 THE COURT: So it's important before you make that
8 final decision that we go over exactly what this right's all
9 about. And what is a grand jury? A grand jury is a group of
10 at least 16 but not more than 23 people that are chosen in the
11 district court, and they sit as a grand jury, and the
12 prosecutors, they believe a crime was committed. They proceed
13 before the grand jury and present the grand jury evidence that
14 a crime has been committed and that a certain individual or
15 individuals have committed the crime. And if at least 12
16 members of that grand jury believe that a crime has been
17 committed and that a particular individual committed the
18 crime, they can vote a true bill or indict that particular
19 defendant for that offense.

20 Now, as I say, it is a process that you can waive.
21 You tell me that it's a process you intend to waive, but let's
22 have a hypothetical, and that is, sitting there, you've now
23 changed your mind and that you don't want to waive grand jury
24 indictment. What would happen? Well, we don't really know
25 for sure what would happen, but we know this. The Government

1 at first would have the right to present that evidence to the
2 grand jury -- and they may or they may not -- but if the
3 Government decided to present the evidence to the grand jury,
4 then the grand jury would decide whether or not to indict
5 you -- and the grand jury may or may not -- but this we know
6 for sure is that if you do waive grand jury indictment and
7 accept prosecution by way of information, which is really just
8 the signature of the United States Attorney on a paper, the
9 prosecution will proceed against you just as if the grand jury
10 had indicted you.

11 Do you understand that?

12 THE DEFENDANT: I do understand, yes.

13 THE COURT: And have you discussed that right with
14 Mr. Blais?

15 THE DEFENDANT: Yes, Your Honor.

16 THE COURT: And, Mr. Blais, do you know of any
17 reason why Mr. Hanst should not waive that right?

18 MR. BLAIS: No, Your Honor.

19 THE COURT: And I ask you, then, Mr. Hanst, what is
20 your decision? Do you wish to waive that right, or do you
21 wish to insist on a grand jury proceeding?

22 THE DEFENDANT: I wish to waive that right, Your
23 Honor.

24 THE COURT: All right.

25 Now, Mr. Villanueva, has presented it to me. It is

1 signed.

2 Mr. Hanst, this is a waiver of indictment. Is that
3 your signature on the bottom of that page?

4 THE DEFENDANT: Yes, it is, Your Honor.

5 THE COURT: Mr. Blais, did you sign that as well?

6 MR. BLAIS: I think one of my colleagues actually
7 signed it.

8 THE COURT: One of your colleagues?

9 MR. BLAIS: Yes.

10 THE COURT: You actually signed it before I admitted
11 you.

12 MR. BLAIS: Yes, that's correct.

13 MR. ROHLFSEN: Your Honor, this is Ryan Rohlfesen. I
14 signed it. Thank you.

15 THE COURT: I think I admitted you pro hac.

16 MR. ROHLFSEN: Exactly.

17 THE COURT: I think we get paid more for Mr. Blais,
18 though.

19 And I believe that this grand jury waiver is valid,
20 and I have indeed signed it.

21 Now, we are now going to go over more rights, and
22 the first thing that you should know is that the mere fact
23 that you've agreed to waive grand jury indictment doesn't mean
24 you have to plead guilty.

25 Do you understand that?

1 THE DEFENDANT: I do understand, yes, Your Honor.

2 THE COURT: All right. And this really is hinged to
3 all of the rights, and that's simply this -- and I'm sure
4 you've discussed this again with counsel, but, again, this is
5 a set of questions that relate to rights that are so important
6 that we do it again in open court.

7 The first thing that I want to impress upon you is
8 that the mere fact that you are guilty, the mere fact that you
9 even waived indictment, doesn't mean you have to plead guilty.
10 It still remains the obligation, the burden of the Government,
11 to establish your guilt beyond a reasonable doubt, and if the
12 Government, the prosecutor, cannot or does not meet this
13 burden of proof, then the jury has a duty, the obligation, to
14 find you not guilty even if you are guilty.

15 So what that means now is that even if you are
16 guilty, you still have a choice. It is up to you -- not your
17 lawyer or anybody else -- to make that decision.

18 Now, you apparently wish to plead guilty, but you
19 could plead not guilty, and if you did plead not guilty, you
20 would be entitled to a speedy and public trial on the charges
21 set forth in that information, presumably right here in this
22 courtroom before a jury, and with the assistance of counsel.

23 Do you understand that?

24 THE DEFENDANT: Yes, I do.

25 THE COURT: You understand that at that trial, you

1 would be presumed innocent; you would not have to prove that
2 you were innocent. It remains the Government's burden to
3 establish your guilt beyond a reasonable doubt.

4 Do you understand that?

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: But by pleading guilty, you are
7 relieving the Government of its burden of establishing your
8 guilt beyond a reasonable doubt.

9 Do you understand that?

10 THE DEFENDANT: Yes, Your Honor.

11 THE COURT: Now, at the trial, the witnesses for the
12 Government would have to come into open court, testify in your
13 presence. Your lawyers could cross-examine those witnesses
14 for the Government, they could object to evidence offered by
15 the Government, they could raise defenses on your behalf, they
16 could call witnesses to testify on your behalf and compel them
17 to testify even if they didn't want to testify.

18 Do you understand that?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: But by pleading guilty, you give up your
21 right to confront the witnesses who testify against you, you
22 give up your right to raise defenses, you give up your right
23 to call witnesses and to offer proof on your own defense.

24 Do you understand that?

25 THE DEFENDANT: Yes, Your Honor.

1 THE COURT: One of those witnesses could be
2 yourself. You would have the right at your trial to take the
3 witness stand and offer proof to establish your innocence.

4 Do you understand that?

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: To establish that you are not guilty.
7 Do you understand that?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: But you could not be compelled to take
10 the witness stand. A defendant in a criminal case in the
11 United States cannot be compelled -- forced -- to take the
12 witness stand and to say anything that could be used against
13 him to show that he is guilty of the crime or crimes to which
14 he has been charged. This is called your right against
15 self-incrimination; and if you were to invoke that during the
16 trial, I would instruct the jury that they could not hold your
17 silence against you.

18 Do you understand that?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: But by pleading guilty, you are
21 admitting your guilt and you give up your right against
22 self-incrimination with respect to this case.

23 Do you understand that?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: And, actually, as I previewed for you a

1 little earlier, it goes beyond that. Not only do you give up
2 your right against self-incrimination, you will be asked to
3 incriminate yourself by stating on the record facts under oath
4 that shows that you are guilty of the crime to which you are
5 pleading guilty.

6 Do you understand that?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: Now, if you do offer your plea and I
9 accept it, you will be waiving all of the rights that I have
10 just discussed with you. There will be no trial of any kind.
11 I will simply enter a judgment of conviction on the basis of
12 your guilty plea.

13 Do you understand that?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: All right.

16 Now, Mr. Lax, is there an appellate waiver in this
17 plea agreement?

18 MR. LAX: Yes, Your Honor, there is an appellate
19 waiver that's operable if the Court sentences Mr. Hanst to at
20 or below 121 months.

21 THE COURT: All right. Now, what is this business
22 of an appellate waiver? Well, it's simply this, Mr. Hanst:
23 If you would go to trial and the jury found you guilty, you
24 could appeal the conviction and any sentence that I impose,
25 but by entering into a plea agreement that contains an

1 appellate waiver, you will be giving up your right to file an
2 appeal or to attack all or part of the sentence that I impose
3 either directly or in a collateral proceeding.

4 Do you understand that?

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: Now, with all of that understanding, is
7 it still your intent to plead guilty?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: Now, we've eluded, and now we'll
10 establish, that, in fact, this plea agreement is in writing.
11 The deputy clerk has handed me a plea agreement which he has
12 marked as Court Exhibit 1, and on the last page, there are
13 signatures affixed.

14 Mr. Hanst, is that your signature on the last page
15 of Court Exhibit 1?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: And which counsel signed this one.

18 MR. ROHLFSEN: I did, Your Honor, Mr. Rohlfesen.

19 THE COURT: And on the Government's side?

20 MR. LAX: Yes, Your Honor, there are signatures from
21 the offices of the United States Attorney, the fraud section
22 of the Criminal Division and the money laundering asset
23 recovery section of the Criminal Division and also
24 representatives of those offices. All three offices are here
25 today.

1 THE COURT: And all signed.

2 MR. LAX: All signed, Your Honor.

3 THE COURT: Now, Mr. Hanst, before you signed this
4 plea agreement, did you discuss it with Mr. Blais?

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: And did you read it yourself?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: Did you have any difficulty in reading
9 the English?

10 THE DEFENDANT: Some things were a little bit
11 technical or I didn't understand it, they were explained to
12 me.

13 THE COURT: So after that, were you satisfied that
14 you understood those words after the explanation?

15 THE DEFENDANT: Yes.

16 THE COURT: All right. And at the time of -- first
17 of all, if you understood it then, do you still understand it?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: Do you have any questions about it now?

20 THE DEFENDANT: No, Your Honor.

21 THE COURT: At the time you put your signature on
22 the document, did you do so voluntarily?

23 THE DEFENDANT: Yes, Your Honor.

24 THE COURT: And is this the only deal or arrangement
25 that you had with the Government about this case?

1 [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: Now, Mr. Blais, those conversations that
7 Mr. Hanst had, were they with you?

8 MR. BLAIS: With me and my colleagues, Your Honor.

9 THE COURT: Were you the lead lawyer at that time?
10 Who actually communicated directly with Mr. Hanst?

11 MR. BLAIS: I think Mr. Rohlfen did the bulk of the
12 communication.

13 THE COURT: Mr. Rohlfen, when you discussed the
14 plea agreement with Mr. Hanst, did you come to the conclusion
15 that he understood it?

16 MR. ROHLFEN: Yes. Yes, Your Honor.

17 THE COURT: And did you conclude that when he signed
18 it, he signed it voluntarily?

19 MR. ROHLFEN: He did, Your Honor.

20 THE COURT: And does anyone on the defense team know
21 of any information to believe that there is some agreement
22 other than this agreement relating to the outcome of this
23 case?

24 MR. ROHLFEN: There is not, Your Honor.

25 THE COURT: Now, Mr. Lax, you will now become the

1 monitor of my eyes to make sure we touch all the bases here.

2 MR. LAX: Yes, Judge.

3 And the first area of inquiry we are going to go
4 over, Mr. Hanst, these are the possible consequences of the
5 plea. The first area that we're going to focus on is the
6 possibility of custody -- jail time.

7 And what are the parameters there, Mr. Lax?

8 MR. LAX: Your Honor, the maximum term of
9 imprisonment is 20 years.

10 THE COURT: And the minimum is zero?

11 MR. LAX: Correct.

12 THE COURT: So, Mr. Hanst, that means that under
13 that section of law, you can be sentenced to a term of
14 imprisonment that could be zero -- nothing -- or it could be
15 as long as 20 years.

16 Do you understand that?

17 THE DEFENDANT: I do, Your Honor.

18 THE COURT: Now, the next area is called supervised
19 release. It's also a consequence; it's an infringement on
20 your liberty, so it's important to understand it. And
21 supervised release refers to that period of time following any
22 period of imprisonment the defendant, who has been imprisoned
23 as part of the sentence, will be released from jail on certain
24 terms or conditions of release; and if during a period of
25 supervised release that defendant were to violate one of those

1 terms or conditions, well, then, that defendant could be sent
2 back to jail for additional jail time.

3 Do you understand that?

4 THE DEFENDANT: Yes, Your Honor.

5 THE COURT: Now, is this a zero to three, Mr. Lax?

6 MR. LAX: Yes, Your Honor.

7 THE COURT: So this is one of the most standard
8 terms of supervised release, and by that I mean this: The
9 sections of law do not set a minimum term. So, again, the
10 period of supervised release could be zero, but it also could
11 be as long as three years, and whatever term the Court were to
12 set, somewhere between zero and three, if during that period
13 that was set after you have been released from custody, if you
14 were to violate the term or condition of release, you could be
15 sent back to prison for up to two years of additional jail
16 time without credit for any time previously served in prison
17 or time previously served on post-release supervision.

18 Do you understand that?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: Now, I assume, Mr. Lax, the fine section
21 is one of those two-track --

22 MR. LAX: Yes, Your Honor.

23 THE COURT: One track is the \$250,000 track.

24 MR. LAX: It's 500,000 for money laundering or twice
25 the value of the monetary instruments or funds involved in the

1 transactions.

2 THE COURT: What track do we think we're on?

3 MR. LAX: The latter, Your Honor. I think --
4 there's actually an allegation in the information that puts a
5 number on it, which is 21 million, so two times that, I think,
6 makes the maximum fine 42 million.

7 THE COURT: Okay. So you understand that the
8 Government is anticipating that the maximum fine that you
9 could face is \$42 million, thereabouts.

10 Do you understand that?

11 THE DEFENDANT: Yes, Your Honor.

12 THE COURT: All right. So we are going to stay in
13 the financial penalty section. Is there any allegations with
14 respect to forfeiture, Mr. Lax?

15 MR. LAX: Yes, Your Honor. There's a criminal
16 forfeiture in the amount of \$1,050,000, and that's set forth
17 in paragraph 6 through 12 of the agreement.

18 THE COURT: And that's 1 million -- did you say
19 1,050,000?

20 MR. LAX: Yes, 1,050,000.

21 THE COURT: And that's an agreed-to number?

22 MR. LAX: Yes, Your Honor, that's in the agreement.

23 THE COURT: All right. So I understand it this way,
24 and Mr. Hanst, you tell me if you understand it that way, too,
25 that as part of your agreement, you have agreed to a criminal

1 forfeiture payment of \$1,050,000, and that's an agreed number
2 between you and the Government.

3 Is that your understanding?

4 THE DEFENDANT: Yes, that's my understanding.

5 THE COURT: So that is a consequence of your plea.

6 Is there a restitution element here, too, Mr. Lax?

7 MR. LAX: Not specifically set forth, Your Honor, so
8 it would be potentially mandatory in the full amount of any
9 victim's losses as determined by the Court at sentencing.

10 THE COURT: So if victims come forward at or before
11 the time of sentencing, Mr. Hanst, and can establish that your
12 crime injured them; that they would be entitled to restitution
13 of that loss.

14 Do you understand that?

15 THE DEFENDANT: Yes, Your Honor.

16 THE COURT: And the special statutory assessment is
17 the \$100 assessment?

18 MR. LAX: Yes, Judge.

19 THE COURT: In addition to those financial
20 penalties, the Court is obliged to impose a special statutory
21 assessment of not less than \$100.

22 Do you understand that?

23 THE DEFENDANT: Yes, Your Honor.

24 THE COURT: Now, I'm guessing the answer, but I will
25 ask you expressly, Mr. Hanst, are you a citizen of the United

1 States?

2 THE DEFENDANT: No, Your Honor.

3 THE COURT: So you understand that the fact that you
4 are pleading guilty to this charge can and most likely will
5 lead to your deportation, exclusion, or removal from the
6 United States; you understand that?

7 THE DEFENDANT: I do.

8 THE COURT: Mr. Lax, have I missed any other direct
9 potential consequences?

10 MR. LAX: No, Your Honor.

11 THE COURT: Again, potential.

12 Now we're going to go back to an actual consequence,
13 because it's actually part of the agreement or the contract,
14 and that is the appellate waiver that we discussed earlier,
15 and it's simply this: If I were to impose on you a sentence
16 of 121 months or below, that you will have then given up your
17 right to file an appeal of the conviction or of the sentence
18 itself, either directly or by the collateral proceeding.

19 Do you understand that?

20 THE DEFENDANT: I do, Your Honor.

21 THE COURT: What I move to next is the actual
22 sentencing process, because as we went over the potential
23 consequences, at times there was a range of numbers. The
24 important thing to understand is that merely because there is
25 a range doesn't mean that the Court is free to pick out a

1 number somewhere in the middle. There's a process for
2 determining where in the range a sentence will fall. That
3 process begins with the guidelines that have been promulgated
4 by the United States Sentencing Commission which pinpoints a
5 specific sentence for any given crime and then points the
6 Court to factors that could lead the Court to depart from that
7 pinpoint either to go higher or to go lower based on those
8 factors.

9 Now, the guidelines are no longer mandatory, but
10 they remain advisory, and the Court is required to look at
11 them and take advice from them.

12 Do you understand that?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: Now, that's not the only place we get
15 advice. There's another process that begins after this kind
16 of hearing, and it's the work of the Probation Department.
17 The Probation Department will undertake a separate
18 investigation into the facts and circumstance of your case and
19 into the facts and circumstances of your life and provide the
20 Court and counsel with an investigation report we call the
21 Presentence Investigation Report, telling us about your life,
22 whether you committed other criminal acts or what your
23 education is, family, health, things of that nature; and it
24 will also include a calculation that Probation makes as to
25 what the official guidelines are, what the offense level is,

1 and what the Criminal History Category is, and put that in the
2 report as well. The report will be sent to you and Mr. Blaise
3 and his colleagues, Mr. Lax and his colleagues, it will be
4 sent to me, and no one can predict with precision what the
5 Probation Department will recommend; and no one, including me,
6 can predict with precision what I will do with the
7 recommendation at the time of sentence, but we can predict
8 that it will be in the report. And after we've all
9 individually had a chance to digest that report, we will come
10 to court for another hearing very similar to this one, and the
11 first thing the Court will do after listening to the lawyers,
12 I will then set what the official guidelines are, and then
13 proceed to the sentencing process itself, which is controlled
14 by yet another section of the law, and that section is Title
15 18, United States Code Section 3553, and this sets forth the
16 standards and goals for sentencing. In most countries,
17 whether you are a citizen of the United States or a citizen of
18 another democratic society, you presumably would not be too
19 surprised to find that basically the Court is instructed to
20 fashion a punishment that fits the crime so that the more
21 serious the crime, the more substantial the punishment should
22 be. And "punishment" is a word that's in the statute, that
23 there should be pain or punishment inflicted.

24 Now, of course, in the United States, it doesn't
25 take the form of torture, but it does take the form of

1 custodial incarceration and financial penalties, so some
2 combination of jail and financial penalties is normally what
3 our punishment looks like in the United States. The section
4 tells the Court to promote respect for the law. Congress
5 passes laws, attaches penalties. If the Courts never impose
6 any of the penalties, there's not going to be too much respect
7 for the law. So there's a concern that there's a harmony
8 between what the Courts do in sentencing and what the Congress
9 has signaled when it passed the law in the first place.

10 There's also a very heavy emphasis on deterrence. I
11 often call it the "hot stove point." You know, you touch the
12 hot stove, and if it's really hot, you remember not to do it
13 again because you don't want to get burned again, and that's
14 the same with sentencing; that the sentencing should impose a
15 sufficient punishment that it will act to deter the offender
16 from doing it again.

17 There's also the concept of general deterrence which
18 uses the offender as an example, don't do what the offender
19 did, otherwise the punishment he got will be the punishment
20 that you get. And sometimes there is a need, depending on the
21 circumstances, what I call "incapacitate the defendant," to
22 remove the defendant from society just to protect society.

23 On the other side of the coin, there's also concern
24 for rehabilitation because for the vast, vast majority of
25 people who are sentenced to jail, they come out. They come

1 out of jail, and to the extent that they need help and the
2 form of rehabilitation to get them in a position to make
3 something lawful out of their lives, that they will have the
4 tools to get that job done, so that's also a goal, an
5 objective of 3553.

6 And then also you look at the individual
7 circumstances of a defendant as well, and they can factor into
8 the mix in determining what the sentence should be, and after
9 the Court balances all of these, or tries to balance all of
10 these factors, then there's the section of law that says that
11 the sentence that's imposed should be no harsher than
12 necessary to accomplish all of the other objectives.

13 Do you understand the process of sentencing?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Now, as I indicated to you that no one
16 can predict with precision what Probation will recommend as
17 the guidelines exposure doesn't mean that counsel can't --
18 many times they can -- look at the facts, as they believe them
19 to be, and make a prognostication -- or educated guess -- as
20 to what the guidelines might show.

21 And in this case, Mr. Lax, has the Government made
22 such a prognostication?

23 MR. LAX: Yes, Your Honor. As of now, the
24 Government, after crediting Mr. Hanst for three points off for
25 acceptance, believes he would be a level 29. And assuming he

1 is in Criminal History Category I, that would carry a range of
2 imprisonment of 87 to 108 months.

3 THE COURT: Mr. Blais, have you made any
4 prognostications of your own?

5 MR. BLAIS: Our prognostications are the same as the
6 Government.

7 THE COURT: All right. So we understand each other,
8 Mr. Hanst, I've asked counsel to provide you with their
9 prognostication. The important thing to understand is that if
10 their prognostications were proven wrong, the mere fact that
11 they are proven wrong doesn't give you a ground later to
12 withdraw the plea that you enter now.

13 Do you understand that?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: So that's an appropriate time for a
16 pause and the pause is simply for this: If you have any
17 questions about anything that I've done during this hearing,
18 the reporter will take them down, I will try to answer them in
19 open court. To the extent that you need to speak privately
20 with Mr. Blais and his counsel, I will give you time for that,
21 but if you didn't need time for either of those things, I
22 would simply move to take your plea.

23 Do you need additional time, or are you ready now to
24 offer your plea?

25 THE DEFENDANT: No, I don't need additional time.

1 THE COURT: And you're ready now?

2 THE DEFENDANT: Yes, sir.

3 THE COURT: Let me begin with Mr. Blais first.

4 Mr. Blais, do you know of any reason why Mr. Hanst
5 should not plead guilty at this time?

6 MR. BLAIS: No, Your Honor.

7 THE COURT: And are you aware of any viable legal
8 defense?

9 MR. BLAIS: No, Your Honor.

10 THE COURT: I ask you, Mr. Hanst, with respect to
11 the one count of the information, what is your plea; guilty or
12 not guilty?

13 THE DEFENDANT: I plead guilty.

14 THE COURT: And, Mr. Hanst, are you pleading guilty
15 voluntarily and of your own free will?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: Has anyone forced you or threatened you
18 to plead guilty?

19 THE DEFENDANT: No, Your Honor.

20 THE COURT: Other than the promises that are set
21 forth in the plea agreement that has been marked as Court
22 Exhibit 1, has anyone made any promises to you to get you to
23 plead guilty?

24 THE DEFENDANT: No, Your Honor.

25 THE COURT: Has anyone made any promise to you as to

1 what your final sentence will be?

2 THE DEFENDANT: No, Your Honor.

3 THE COURT: Now, earlier in the very top, actually,
4 of the hearing, I had mentioned to you that there would come a
5 point in which you would have to tell me under oath facts that
6 show that you indeed are guilty of this charge. We have now
7 reached that point.

8 And, Mr. Blais, I don't know how you all wish to
9 proceed. Is Mr. Hanst giving us a narrative, or are you
10 proceeding by question and answer? Whichever, we are ready
11 for his allocution.

12 MR. BLAIS: Your Honor, Mr. Hanst has a prepared
13 statement that I think he would like to read into the record.

14 THE COURT: All right. We certainly will hear your
15 statement, Mr. Hanst.

16 THE DEFENDANT: From at least April 2015 to
17 September 2020, I agreed with others, including a trader at
18 Vitol, to send wires at the instruction of others from and
19 through a place outside the United States to and through a
20 place in the United States. I understood that the source of
21 the funds I was wiring was an illegal activity and that the
22 purpose of the wires was to conceal the nature and source of
23 the proceeds. At the time I was wiring the funds, I knew what
24 I was doing was wrong.

25 THE COURT: You knew it was a crime.

1 THE DEFENDANT: Yes, sir.

2 THE COURT: Mr. Lax, anything we're missing in that
3 allocution?

4 MR. LAX: Your Honor, the Government would proffer
5 the information as to the specified unlawful activity, which
6 is as to the FCPA violation. Specifically, the Government,
7 through multiple witnesses -- you know, certainly documentary
8 evidence -- would prove that the transfers were the proceeds
9 of an international bribery scheme involving payments, and
10 promises of payments to Ecuadorian, Mexican, and Venezuelan
11 Government officials by and on behalf of Vitol and the Vitol
12 trader in exchange for securing improper advantages for Vitol
13 in obtaining and retaining business with and related to
14 various state-owned entities, including Petro Ecuador, which
15 is a state-owned oil company of Ecuador; PEMEX and PEMEX
16 Procurement International, which is state-owned oil entities
17 for Mexico; and Citgo Petroleum, which is a state-owned
18 subsidiary of Venezuela; and, of course, interstate means and
19 methods were used in furtherance of the FCPA violation.

20 So we would proffer that as the specified unlawful
21 activity and also ask that the defense stipulate to that.

22 THE COURT: Mr. Blais?

23 MR. BLAIS: Yes, we're prepared to stipulate to
24 that, Your Honor.

25 THE COURT: Satisfied, Mr. Lax?

1 MR. LAX: Yes, Your Honor.

2 THE COURT: As is the Court. The Court is satisfied
3 as well.

4 Mr. Hanst, I find that you understand the charge
5 against you; that you understand the consequences of pleading
6 guilty to it; you understand your rights; you understand the
7 rights that you waive by pleading guilty; that your decision
8 to plead guilty was not only knowing, but also voluntary; and
9 you have, in fact, through your allegation, provided the Court
10 with a statement under oath that shows that you indeed are
11 guilty of the charge to which you have pled guilty, and the
12 Court therefore accepts your plea of guilty to the one count
13 of the information.

14 Now, the Court does not set a sentencing date at
15 this time, but when probation has completed its investigation
16 and made its report and all have had a chance to digest it, we
17 will reassemble for the sentencing hearing.

18 And when Probation begins its outreach to Mr. Hanst,
19 Mr. Blais, I assume you wish to be notified and to be present?

20 MR. BLAIS: Yes, Your Honor.

21 THE COURT: And the record will reflect that.

22 Now, Mr. Lax, is there any timing issue here? Is
23 Probation to begin its work immediately, or is it to --

24 MR. LAX: We would ask the Court hold that work in
25 abeyance, Your Honor.

1 THE COURT: And you're in accord, Mr. Blais?

2 MR. BLAIS: Yes, Your Honor.

3 THE COURT: And we will hold it in abeyance and
4 await further signal from counsel.

5 MR. LAX: If I may, Your Honor, as well, as to the
6 allocution, I just wanted to note for the Court that in the
7 agreement there's a waiver of venue that's written in the
8 agreement itself. There was no specific allocution as to
9 venue. The Government could proffer that, but I think, given
10 a written waiver, I think that would suffice, but I did want
11 to note that for the Court.

12 THE COURT: And, Mr. Blais, you second the motion.

13 MR. BLAIS: We don't disagree that there is, in
14 fact, a venue waiver in the agreement.

15 THE COURT: And the Court accepts the waiver.

16 All right. Now, back to you, Mr. Lax. Next dance
17 on the dance card.

18 MR. LAX: Well, I think that the last two remaining
19 tunes are the waiver of extradition and the Court's
20 determination on bail. I think it probably makes sense to do
21 them in that order.

22 THE COURT: All right.

23 Now -- refresh me -- do we have a document that has
24 been executed on a waiver of extradition?

25 MR. LAX: Yes, Your Honor, there is a document that

1 has been signed by Mr. Hanst, of course, on advice and consent
2 of counsel, and we would, you know, essentially ask the Court
3 to administer an oath and endorse that waiver.

4 THE COURT: All right.

5 MR. LAX: And we provided that waiver to the Court's
6 deputy earlier today.

7 THE COURT: Is the oath already administered with
8 respect to the plea sufficient -- and to remind Mr. Hanst that
9 he's still under oath -- or is there a special oath that he
10 needs?

11 MR. LAX: So what is in the waiver is just an
12 affirmation that Mr. Hanst certifies that on today, he
13 personally appeared before this Court and made on oath in due
14 form of law that the statements in the waiver of extradition
15 are true.

16 THE COURT: All right. So we can have him recite --
17 Mr. Hanst, you remain under oath, which means that the
18 penalties of perjury apply, and I don't have the document --
19 you have the document there, Mr. Lax, or does Mr. Villanueva
20 have it?

21 THE COURTROOM DEPUTY: I have it.

22 THE COURT: I'm going to direct the deputy clerk to
23 present that document to Mr. Hanst, and Mr. Hanst can orally
24 read the affirmation directly from the document, what he's
25 affirming to.

1 So this statement you are about to make is under
2 oath.

3 (Pause.)

4 THE COURT: I assume, Mr. Lax, it's just that one
5 paragraph that you read?

6 MR. LAX: I was going to suggest the affirmation --
7 there's a brief affirmation at the very end of the waiver
8 similar -- akin to Your Honor's as if an agent were affirming
9 to the statements in an affidavit just --

10 THE COURT: Is this a signed document, Mr. Lax?

11 MR. LAX: It is, Your Honor.

12 THE COURT: And he's already signed it?

13 MR. LAX: Yes, Your Honor.

14 THE COURT: Mr. Hanst, your signature is on that
15 document that you are holding?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: All right. And you read that document
18 before you signed it?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: And did you consult with counsel before
21 you signed it?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Are all the statements that are made in
24 that document -- set forth in that document true and accurate?

25 THE DEFENDANT: Yes, Your Honor.

1 THE COURT: And you are affirming that in open
2 court?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: Are you satisfied, Mr. Lax?

5 MR. LAX: Yes, Your Honor.

6 Thank you.

7 THE COURT: All right. So we have the affirmation.

8 Does anybody know where that goes, Mr. Lax or
9 Mr. Villanueva? Is that filed with the clerk?

10 MR. LAX: I think it could be filed, and we would
11 just ask for a -- if it's filed, we'll have a copy, so I think
12 that would be sufficient.

13 THE COURT: Is Officer Long here?

14 MR. LONG: Good evening, Your Honor.

15 Robert Long with Pretrial Services.

16 THE COURT: I'm going to give it to Mr. Villanueva.

17 THE COURTROOM DEPUTY: We'll figure it out.

18 MR. LAX: [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 THE COURT: [REDACTED]

25 [REDACTED]

1 MR. LAX: [REDACTED]

2 THE COURTROOM DEPUTY: [REDACTED]

3 [REDACTED]

4 THE COURT: [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 Now, that brings up, as I am recalling, from your
8 order here, Mr. Lax, that now we have the arraignment, and I'm
9 led to believe that there is some agreed terms for bond here.

10 MR. LAX: Yes, Your Honor. So the parties have
11 agreed upon a \$100,000 bond, which is to be secured by \$10,000
12 cash on deposit or check. I think the clerk's office is
13 closed now, so we would propose within 24 hours that check be
14 deposited.

15 THE COURT: Yes.

16 MR. LAX: Additional conditions, in addition to all
17 the standard ones, are that the defendant must remain in New
18 York City, the District of Colombia, Curaçao, or the
19 Netherlands, as necessary for medical purposes; that the
20 defendant avoid all contact with co-conspirators, except as
21 directed by law enforcement or in the presence of counsel; the
22 defendant not obtain other passports or other international
23 travel documents; and that he be placed under the supervision
24 of Pretrial and must report to Pretrial as directed, which I
25 understand, from speaking with Mr. Long, would be by video or

1 telephone; and, finally, that Mr. Hanst notify the Government
2 and Pretrial Services in advance of any international travel
3 and provide itineraries for that travel.

4 THE COURT: And, Mr. Hanst, anything about what
5 Mr. Lax has just read into the record that you don't
6 understand?

7 THE DEFENDANT: No, Your Honor.

8 THE COURT: And you agree to abide by all of those
9 terms?

10 THE DEFENDANT: Yes, Your Honor.

11 THE COURT: Now, Mr. Lax, other than the cash
12 deposit, is there any other surety that we are concerned
13 about?

14 MR. LAX: No, Your Honor. Here --

15 THE COURT: They're personal?

16 MR. LAX: -- there are no U.S.-based sureties that
17 would be appropriate.

18 THE COURT: So the Court is satisfied on those terms
19 and is prepared to sign the bond to that effect after the
20 defendant has affixed his signature.

21 I always say watching a district judge doing an
22 arraignment is like getting a doctor to draw blood. Always
23 see the technician. Less painful.

24 All right. What's next, if anything?

25 MR. LAX: Your Honor, I have two very small

1 housekeeping matters.

2 The first is just to note for the record that we
3 offered to provide consular notice for Mr. Hanst, and he
4 declined; and the Netherlands and Curaçao are not a mandatory
5 notification country.

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 THE COURT: [REDACTED]

10 MR. LAX: [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 THE COURT: [REDACTED]

16 [REDACTED]

17 MR. LAX: [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 THE COURT: [REDACTED]

21 MR. BLAIS: [REDACTED]

22 THE COURT: [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]

10 Anything else?

11 MR. LAX: Not from the Government, Your Honor.

12 I just wanted to thank the Court for accommodating
13 us on this complex proceeding.

14 THE COURT: We certainly thank counsel, including
15 Mr. Rico, who was here much earlier and doesn't realize how
16 much he should thank me for letting him go.

17 And we all want to thank Denise for service above
18 and beyond the call of duty at the end of day, so we
19 appreciate that as well.

20 And it's been a reminder -- and with God's will, we
21 will get to the point where we don't need them, but it's a
22 symbol why we should still be very careful -- we are still
23 masked, we still have Plexiglas, so that means we still have a
24 concern for COVID-19, and we should treat it with the respect
25 that it deserves, and be smart, and be safe, and be strong,

1 and be well, and we will see you on the next occasion.

2 MR. LAX: Thank you, Your Honor.

3 THE COURT: We are adjourned.

4 MR. BLAIS: Thank you, Your Honor.

5 (Pause.)

6 THE COURTROOM DEPUTY: Counsel for defendant? Just
7 one second.

8 THE COURT: We are briefly going back on the record.

9 THE COURTROOM DEPUTY: Counsel for both sides are
10 present, including defendant.

11 MR. LAX: Thank you, Your Honor.

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 THE COURT: [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 MR. LAX: Thank you, Judge.

24 MR. BLAIS: Thank you, Your Honor.

25 THE COURT: Adjourned again. (Matter concluded.)

Denise Paris, RPK, CRR

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

By Denise Paris, April 15, 2022